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CENTRAL INTELLIGENCE BULLETIN



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Next 1 Page(s) In Document Exempt

CENTRAL INTELLIGENCE BULLETIN

1 May 1958

DAILY BRIEF

25X1

I. THE COMMUNIST BLOC

yes

Soviet summit tactics: The Soviet response to the American Arctic inspection proposal indicates that the USSR is making a further effort to force the convening of a summit conference on its own terms. Gromyko's warning that the USSR would "send rockets to repel the imminent threat" if American bombers violated Soviet frontiers is an attempt to increase pressure on the United States for a summit meeting by trying to create the impression that the danger of war has seriously increased. Sobolev reiterated Soviet opposition to giving priority to measures against surprise attacks, emphasizing that all disarmament matters should be discussed at the summit rather than in the UN Security Council where the USSR is in the minority.

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yes

Soviet merchant shipping: In support of its economic offensive, the USSR is using more of its own merchant vessels in trade with free world countries. By reducing its dependence on chartered Western ships, the USSR conserves

25X1

foreign exchange. Its action at this time also adds to the difficulties of Western shipowners who are confronted by a depressed charter market. [REDACTED]
(Charts)

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II. ASIA-AFRICA



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yes

Aden - Yemen: The largest British military operation in the Aden Protectorate in recent years has been mounted against 600-1,000 Yemeni-supported dissident tribesmen, who are backing an anti-British claimant to an emirate in the ill-defined Aden-Yemen border area. Three companies of British infantry and a company of native troops, accompanied by small elements of armored cars and light artillery and RAF support, were sent from Aden to restore order and have relieved a British political officer and a platoon of native troops besieged by the rebels. [REDACTED]

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Indonesia: During their May Day celebrations, Indonesian labor unions are likely to issue a resolution protesting foreign intervention in the Indonesian civil conflict. Such a development, following closely on Premier Djuanda's

1 May 58

DAILY BRIEF

ii

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strong denunciation of foreign aid to the dissidents, may be a prelude to renewed anti-American demonstrations.

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The army chief of staff has appointed one of his deputies to conduct a "purge" of the South Sumatran military commander under Lt. Col. Barlian, who has remained neutral during the fighting in Central and North Sumatra.

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III. THE WEST

no West Germany - USSR: Chancellor Adenauer has told the American ambassador in Bonn he got the impression in his recent talks with Mikoyan in Bonn that the USSR can be brought to a serious discussion of disarmament. Adenauer's conviction that controlled disarmament should be the main topic of a summit conference was strengthened. He apparently feels that there is a possibility of capitalizing on Soviet peaceful professions as expressed by Mikoyan. Adenauer told

1 May 58

DAILY BRIEF

iii

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Mikoyan he was opposed to the creation of a "nuclear-free zone" because it could be overshoot by nuclear weapons from both sides and the zone would itself be endangered by fall-out.

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1 May 58

DAILY BRIEF

iv

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I. THE COMMUNIST BLOC

USSR Seeking to Shift Arctic Inspection Plan To Summit Talks

The USSR views the American proposal for inspection in the Arctic zone as an attempt to discuss disarmament in the United Nations rather than at a summit meeting. Foreign Minister Gromyko stated that Moscow would rebuff Western efforts to draw the USSR back into the Disarmament Commission. Soviet spokesmen have tried to use their charges about American bomber flights to emphasize the importance of summit talks and have indignantly denied that their charges indicated resistance to the summit.

At the UN Security Council, Soviet delegate Sobolev has introduced a resolution urging that a summit conference be convened soon to discuss a variety of issues including surprise attack. Sobolev repeated the long-standing Soviet accusations that the US wants aerial inspection only to gather intelligence. He claimed that an inspection system would not prevent further American bomber flights because it would not remove American bases abroad or prevent the radar errors that he said had caused such flights. The USSR has consistently opposed giving priority to measures against surprise attack, and has probably made counterproposals to American plans only to avoid appearing negative.

At a summit meeting, the USSR might revive its proposals, referred to by Gromyko, for inspection zones in Europe, the western United States, and the eastern USSR. The USSR has always opposed the Arctic plan, which Gromyko pointed out included Soviet territory but none of the United States proper.

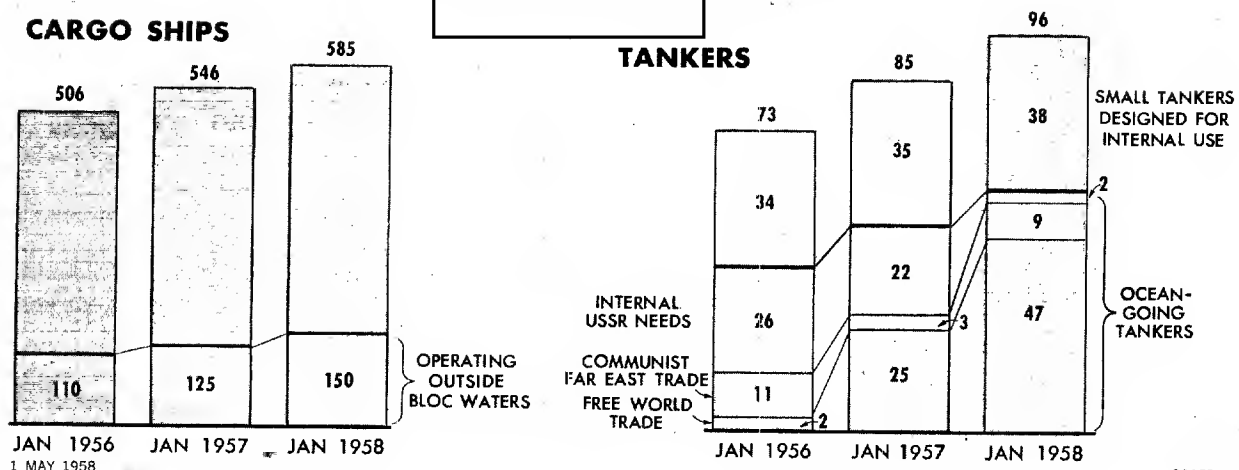
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Next 1 Page(s) In Document Exempt

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SOVIET MERCHANT FLEET



Soviet Merchant Fleet Operations

The deputy minister of the Soviet merchant marine emphasized early this year the need for increasing further the volume of foreign trade cargoes carried by the Soviet fleet. He declared that domestic ship production would end dependence on Western steamship companies and save foreign exchange.

Complete self-sufficiency will probably not be achieved soon, but the USSR hopes that by the end of this year all its petroleum exports will be carried by Soviet tankers. Since the closure of the Suez Canal in late 1956 and early 1957, the USSR has diverted more than 20 tankers from intrabloc and domestic trade to trade with the free world. At the present time 80 percent of Soviet ocean-going tankers are being used in petroleum trade with the free world.

Soviet cargo ships are also increasingly used for trade with the free world. Soviet ships now are carrying all Soviet imports of Cuban sugar and Canadian wheat, whereas in 1956, Western ships were chartered to carry all Cuban sugar imports and 65 percent of the wheat purchases from Canada.

This competition is also felt elsewhere. Danish shipping officials, for example, complain that the increasing proportion of Soviet vessels being used in Soviet-Danish trade is further reducing opportunities available to Danish shipping companies.

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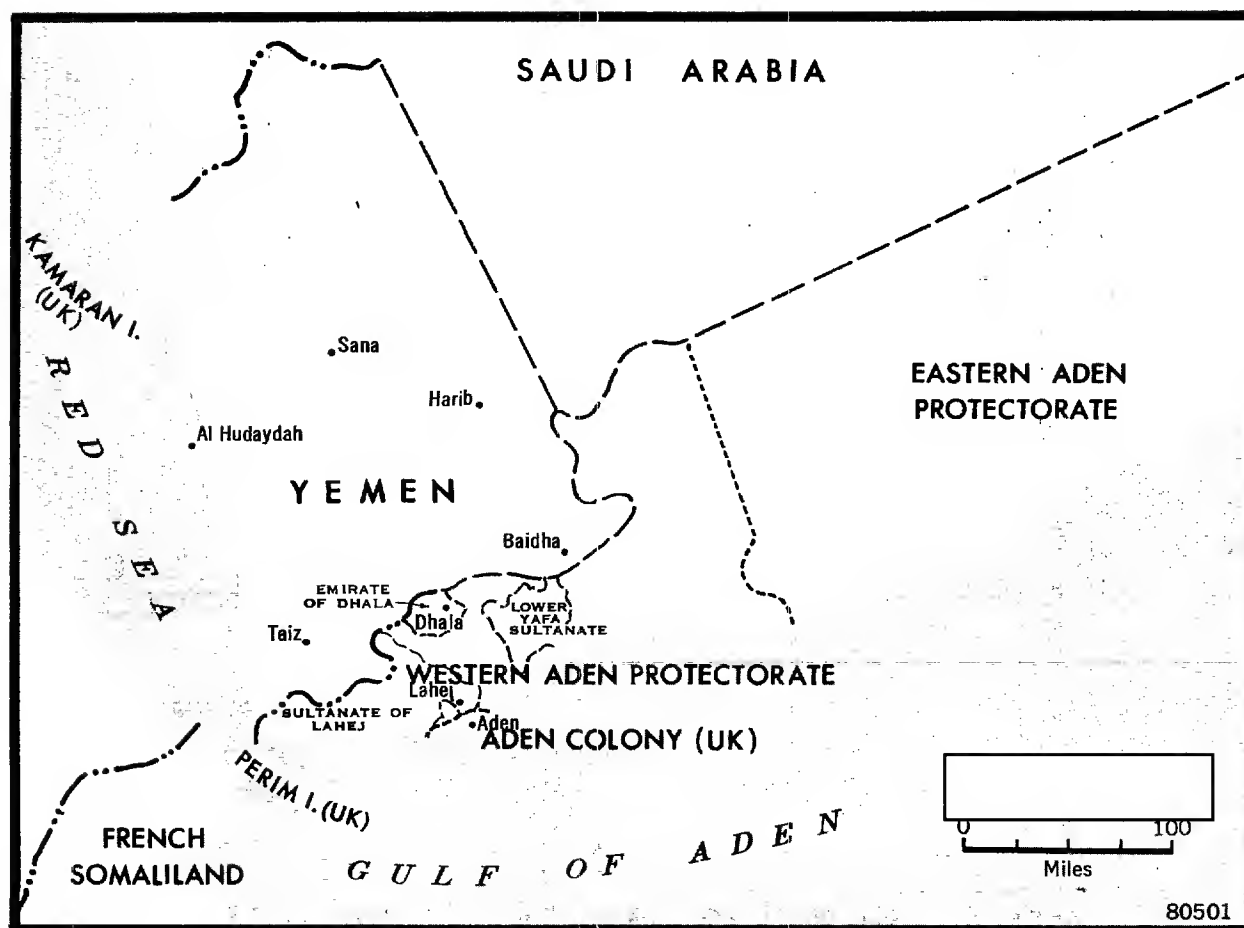
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Aden-Yemen Frontier Trouble

The British have launched the largest military operation in the Aden Protectorate in recent years to put down a new outbreak of subversion in the Emirate of Dhala, about 70 miles north of Aden Colony on the disputed Yemen frontier. The rebellion is led by a Yemeni-backed anti-British claimant to the rule of Dhala, supported by 600-1,000 Yemeni-armed dissident tribesmen. About 600 men, including three companies of British infantry and a company of British-led native troops, accompanied by small elements of armored cars and light artillery, moved to Dhala from Aden on 29 April in preparation for a drive to disperse the rebels, and have relieved a British political officer and a platoon of native troops besieged 18 miles to the northwest. The campaign has been supported by the British jet fighter squadron and by four-engined Shackleton bombers in Aden Colony.

Dhala is the second protectorate state entered by British troops in as many weeks in a campaign to head off Yemeni-inspired subversion, which seeks by intimidation and bribery to encourage local rulers to renounce association with Britain. Last week British troops from Aden Colony entered the Sultanate of Lahej to arrest anti-British nationalists accused of conspiring with the Sultan to break with Britain and affiliate with the Yemen-UAR federation. The Sultan has flown to London to protest, while British troops remain in Lahej. In another state, Lower Yafa, the ruler's son has taken most of the state's funds and troops and fled to an inaccessible area where he claims allegiance of many tribes and is attempting to organize a rebel force.

Some other protectorate rulers, fearing Yemen's designs on the protectorate, are re-examining an earlier British proposal for federation of the protectorate states.

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Situation in Indonesia

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[redacted] Indonesian labor unions in May Day celebrations may publicly protest foreign intervention in Indonesian affairs. Prime Minister Djuanda made a strong public statement on the subject on 30 April, specifically charging that recent dissident bombings in Borneo and East Indonesia were carried out with foreign assistance and that the dissidents had employed pilots of American and Taiwanese nationalities. Foreign Minister Subandrio asked the American ambassador in Djakarta to request US mediation with the Republic of China to stop the supply of arms to the rebels. This trend in official thinking, combined with possible Communist exploitation, could easily lead to renewed anti-American demonstrations and incidents directed against Chinese Nationalists in Indonesia.

25X1 DIA

[redacted]
Chief of Staff General Nasution hopes to make a deal with North Celebes dissidents and thereby avoid an invasion. If arrangements cannot be made, however, the government attack will be carried out as planned, [redacted] North Celebes forces would offer little resistance. [redacted]

25X1 DIA

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General Nasution has sent a deputy chief of staff to South Sumatra, an area which remained neutral during the Central Sumatran revolt, with full authority to investigate and suspend officers found to have been disloyal to the central government. The deputy area commander, Major Nawawi, who had already been suspended, is reported to have fled into the jungle with a number of his troops. [redacted]

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[redacted] Lt. Col. Barlian, the local commander, may be in trouble for not having taken "firm measures" against disloyal members of his staff.

As a result of bombings by a dissident aircraft in Borneo, BPM, a Shell subsidiary, has ordered a temporary closure of its Borneo installations. Djakarta will now be dependent on two foreign refineries in South Sumatra for refined petroleum products. Apparently to ensure continued access to them, air force personnel have taken control of the South Sumatran refineries. [redacted]

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Tangier Conference of North African Political Leaders

An increase in Moroccan support for the Algerian rebellion will probably be the most immediate effect of the conference of Moroccan Istiqlal, Tunisian Neo-Destour, and Algerian National Liberation Front (FLN) leaders, who met in Tangier from 27 through 30 April. [REDACTED]

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The conference probably is the first significant step toward creating a Maghrebian (North African) federation. Its final communiqué recommended the formation of an independent Algerian government after FLN consultation with the Moroccan and Tunisian governments and the creation of a North African consultative assembly. The conference established a permanent North African secretariat with headquarters both in Tunis and Rabat. The conferees also demanded that French troops be evacuated from Tunisia and Morocco, that France cease aggression against Algeria, and that NATO and other powers cease "political and material aid" prolonging the colonial war.

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III. THE WEST

Adenauer Comments on Mikoyan Visit

Soviet First Deputy Premier Mikoyan's recent visit to Bonn has strengthened Chancellor Adenauer's view--expressed earlier in London to Prime Minister Macmillan--that the USSR may be prepared to accept some degree of disarmament. In five-hour-long personal talks, which the chancellor characterized as "lively but not disagreeable," Adenauer stressed his conviction that, with the present balance between the armed forces of the East and West, now is the best time to negotiate controlled disarmament, both nuclear and conventional. He apparently feels there is a possibility of capitalizing on Soviet peaceful professions as expressed by Mikoyan. He also reiterated his suggestion that a summit conference be extended at the expert level over a period of years if necessary.

West German Foreign Ministry officials have explained apologetically that Adenauer's de-emphasis on German reunification as a summit agenda item is occasioned largely by domestic political considerations. The chancellor is worried over the effect on the five state elections this year of the Bundestag's decision to accept modern weapons for the German Army. Adenauer rejected Mikoyan's offer not to use Soviet nuclear weapons against West Germany if the Federal Republic is kept free of such weapons on the ground that such guarantees are worthless in a global war.

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